

## Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 STR-04 FEA-01 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15

ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 IO-13

/107 W

-----070424Z 089910 /20

R 062100Z APR 77

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 230

UNCLAS SANTO DOMINGO 1642

E.O. 11652: N/A

TAGS: ETRD, DR

SUBJECT: GSP FIRST YEAR REVIEW

REF: STATE 067507

1. THE EMBASSY CONTACTED THE DOMINICAN CENTER FOR EXPORT PROMOTION (CEDOPEX) TO OBTAIN ITS VIEWS ON THE FUNCTIONING OF GSP IN THE DOMINICAN REPUBLIC. THE MAIN OPINIONS ARE AS FOLLOWS:

(A) IN GENERAL, CEDOPEX OFFICIALS BELIEVE THAT THE COUNTRY HAS SLIGHTLY BENEFITED FROM THE GSP BECAUSE DOMINICAN PRODUCTS ARE MORE COMPETITIVE IN THE UNITED STATES MARKET THAN THEY WERE BEFORE THE IMPLEMENTATION OF THIS PROGRAM.

(B) THE INCREASE OF DOMINICAN EXPORTS TO THE UNITED STATES HAS BEEN MINIMAL IN SOME PRODUCTS. OTHER PRODUCTS HAVE REACHED THE MAXIMUM PERMITTED TO ENTER UNDER THE GSP PROGRAM. CEDOPEX BELIEVES THIS MAXIMUM WOULD HAVE BEEN REACHED WITHOUT THE GSP, AS A NORMAL GROWTH TREND OF THE DOMINICAN EXPORTS.

(C) NO NEW-TO-MARKET PRODUCTS HAVE BEEN EXPORTED AS A RESULT OF GSP.

(D) CEDOPEX HAS NOT DETECTED NEW OR INCREASED INVESTMENTS IN EXPORT ACTIVITIES. NO IMPORTANT CHANGES IN THE GROWTH PATTERN OF EXPORTS HAVE BEEN NOTICED AS A RESULT OF GSP. ACCORDING TO CEDOPEX THIS IS DUE TO THE NATURE OF THE GSP, I.E., TEMPORARINESS OF

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THE PROGRAM, UNCERTAINTY AS TO WHETHER SUCH PRODUCTS WILL REMAIN IN THE GSP, QUANTITY RESTRICTIONS RELATED TO THE TOTAL VOLUME, ETC. THIS LACK OF INVESTMENT WILL NOT CREATE ADDITIONAL DEMAND OF CAPITAL GOODS FROM THE UNITED STATES TO BE UTILIZED AS A RESULT OF GSP.

2. THE GSP PROGRAM IS VERY WELL KNOWN BY THE DOMINICAN EXPORTERS

AND CEDOPEX OFFERS SPECIAL SERVICES TO THE EXPORTERS LOCATED OUT OF SANTO DOMINGO, INCLUDING SENDING FORMS A, BY MAIL IN ORDER TO SAVE TIME. CEDOPEX TRANSMITS INFORMATION ABOUT GSP CHANGES VIA ITS BULLETIN WHICH HAS WIDESPREAD CIRCULATION. THERE IS AN ASSOCIATION OF DOMINICAN EXPORTERS WHICH WORKS VERY CLOSELY WITH CEDOPEX.

3. ONLY ONE PROBLEM RELATED TO GSP HAS BEEN ENCOUNTERED WHICH INVOLVED A SHIPMENT OF REFRIGERATORS SENT TO PUERTO RICO, WHERE THE AUTHORITIES REJECTED FORM A DUE TO INSUFFICIENT PROOF OF THE 35 PERCENT ADDED VALUE. CEDOPEX IN CONJUNCTION WITH THE EXPORTER CORRECTED THE INFORMATION ON THE FORM AND THE SHIPMENT WAS APPROVED TO ENTER PUERTO RICO.

4. CEDOPEX FEELS THAT THIS PROGRAM HAS CHANGED THE DEVELOPMENT OF THE DOMINICAN EXPORT PATTERNS INSIGNIFICANTLY BUT IT RECOGNIZED THE IMPROVEMENT OF THE COMPETITIVENESS OF DOMINICAN PRODUCTS IN THE U.S. MARKET, PARTICULARLY IN SAN JUAN, PUERTO RICO AND NEW YORK CITY.

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## Message Attributes

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Margaret P. Grafeld  
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US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009